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March 7, 2005

Dear Colleagues:

All of us at the Department of Workforce Development are pleased to provide you with a copy of the recently completed study on the application of sanctions to W-2 participants. While earlier analysis had indicated a possibility of disparities, this study thoroughly reviewed and analyzed available data to help the Department guide and modify existing policy, training and operational details of the W-2 program. DWD is completely committed to promoting equity and preventing bias in all of our work.

This study was conducted in response to a complaint filed in 2002 with the Federal Office of Civil Rights Compliance by the American Civil Liberties Union and the Milwaukee branch of the NAACP, alleging racial discrimination in the application of sanctions against W-2 participants. The study also examined W-2 case management practices, the use of discretion and the dispute resolution process, as each of these factors could contribute to a better understanding of racial/ethnic disparities in sanctioning and to other types of disparities in sanctioning.

While a regression analysis of administrative data for 2000 through 2003 found instances of racial/ethnic disparities in sanctioning, the extent of the disparities, fortunately, has lessened over time. Statewide findings from the regression analysis were as follows:

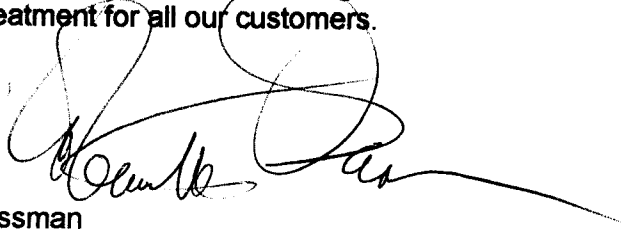
- Black CSJ participants were sanctioned more than their white counterparts in 2000, 2001 and 2003.
- Black W-2 T participants were sanctioned more than white W-2 T participants in 2000 and 2001, but were sanctioned somewhat less than whites in 2002 and 2003.
- For the 2000-2003 time period, Hispanic CSJ participants were sanctioned less than white CSJ participants.
- In 2000 and 2001, Hispanic W-2 T participants were sanctioned slightly more than white W-2 T participants; in 2002 and 2003 they were sanctioned slightly less.
- The largest and most persistent disparity in sanction amounts occurred between black and white CSJ participants in the balance of state.

DWD is pleased to receive these important findings. As the agency charged with protecting the rights of all workers and all Wisconsin citizens, DWD takes these findings very seriously and will continue to work proactively to ensure that all Wisconsin citizens, throughout all DWD programs, are treated fairly and without bias.

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While the results of this study show marked improvement in the assessment of sanctions, DWD continues to aggressively train staff and monitor the assessment of sanctions in our W-2 program, both in Milwaukee and throughout the rest of the state. Our goal continues to provide equitable treatment for all our customers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roberta Gassman', with a long horizontal flourish extending to the right.

Roberta Gassman  
Secretary